

BRITISH ENERGY PLC  
Form 20-F  
September 23, 2003  
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## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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### FORM 20-F

(Mark One)

Annual report pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934 *(Fee required)*

or

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended March 31, 2003 *(No Fee required)*

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from N/A to N/A *(No Fee required)*

Commission file number 1-14990

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## BRITISH ENERGY PLC

(Exact Name of Registrant as Specified in Its Charter)

Scotland

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(Jurisdiction of Incorporation or Organization)

3 Redwood Crescent, Peel Park, East Kilbride, G74 5PR

(Address of Principal Executive Offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Ordinary shares of 44 28/43p each ( ordinary shares )	New York Stock Exchange*
American Depositary Shares ( ADSs ) each of which represents 75 ordinary shares	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

Ordinary shares of 44 28/43p each	620,362,444 shares
A shares of 60p each	80,908,247 shares
Non voting deferred shares of 60p each	74,752,351 shares
Non-voting special rights redeemable Preference share of £1	1 share

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) x (2) x

Indicate by check mark which financial statement item the registrant has elected to follow.

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Item 17  Item 18

\* Not for trading but only in connection with the registration of ADSs pursuant to the requirements of the Securities and Exchange Commission.

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PLEASE NOTE: ITEMS 1, 2, 12, 16 AND 17 ARE NOT APPLICABLE.

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### **Introduction**

In this annual report, except as otherwise specified, British Energy, the British Energy Group, the Company, we, us or our refer to British Energy plc and its subsidiaries and any of their respective predecessors in business, as the context may require. We were incorporated under the Companies Act 1985, as amended (the Companies Act) on December 13, 1995.

Our registered office is located at 3 Redwood Crescent, Peel Park, East Kilbride, G74 5PR, Scotland, and our telephone number is 011 44 1355 262000. Our website address is [www.british-energy.com](http://www.british-energy.com). The information on our website is not a part of this annual report.

### **Exchange Rates**

We publish our financial statements in pounds sterling. In this annual report, references to pounds sterling, £, pence or p are to UK currency, references to US dollars, US\$ or \$ are to US currency and reference to Canadian dollars, or C\$ are to Canadian currency. Amounts in this annual report stated in US dollars, unless otherwise indicated, have been translated from pounds sterling solely for convenience and should not be construed as representations that the pound sterling actually represent such US dollar amounts or could be converted into US dollars at the rate indicated or any other rate. The Noon Buying Rate for pounds sterling on September 5, 2003 was £1.00 = \$1.59. For certain information about exchange rates between pounds sterling and US dollars, see Item 3. Key Information Exchange Rates.

### **Technical Terms**

This annual report refers to certain technical terms used to measure output of electricity and the production of electricity over time. The basic unit for the measurement of electricity output is a kilowatt ( kW ). The basic unit for the measurement of electricity production is a kilowatt-hour ( kWh ); that is, one hour of electricity production at a constant output of one kilowatt. One thousand kilowatts are a megawatt ( MW ) or, in terms of production, a megawatt-hour ( MWh ). One thousand megawatts are a gigawatt ( GW ) or, in terms of production, a gigawatt-hour ( GWh ). One thousand gigawatts are a terawatt ( TW ) or, in terms of production, a terawatt-hour ( TWh ).

### **Information Regarding Forward-looking Statements**

This annual report contains certain forward-looking statements as defined in Section 21E of the US Securities Exchange Act of 1934. Such forward-looking statements include, among others:

statements concerning our proposed restructuring and the effect of our proposed restructuring on our business and financial condition or results of operations,

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the anticipated development of the UK electricity industry, the future development of regulation of the UK electricity industry, the effect of these developments on our business, financial condition or results of operations, and

other matters that are not historical facts concerning our business operations, financial condition and results of operations.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which are in some cases beyond our control and may cause our actual results or performance to differ materially from those expressed or implied by such forward-looking statements. For a discussion of some of the risks associated with these forward-looking statements, see the section entitled "Item 3. Key Information Risk Factors". Due to the uncertainties and risks associated with these forward-looking statements, which speak only as of the date hereof, we are claiming the benefit of the safe harbor provision referred to above.

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### ITEM 3. KEY INFORMATION

#### Risk Factors

Some of the significant risks that could affect our business are set out below. Additionally, some risks may be unknown to us and other risks, which we currently consider to be immaterial, could in fact be material. All of these risks could adversely affect our business, turnover, profits, assets, liquidity and capital resources. You should consider these factors in connection with the forward-looking statements in this document and the warnings on such forward-looking statements.

#### Risks Associated with our Restructuring

***If our proposed restructuring is not completed, or if the results of our proposed restructuring are insufficient to allow us to meet our financial obligations as they fall due, we may have to initiate appropriate insolvency proceedings.***

In September 2002, we announced that, following the review by our board of directors of the long-term prospects for British Energy, we had initiated discussions with the UK Government seeking immediate financial support to enable a longer-term restructuring of our business. On February 14, 2003, we announced that we had entered into a binding standstill agreement and a non-binding agreement on the principles of our proposed restructuring with certain of our most significant creditors. Our proposed restructuring is comprised of the following elements:

We expect to issue new bonds in an aggregate principal amount of up to £275 million, together with new shares representing substantially all of the ordinary shares of the restructured British Energy Group, to our most significant creditors, in exchange for the extinguishment of existing obligations we owe them;

We expect to enter into an agreement with the bank syndicate that provided financing for our Eggborough coal-fired power station, or the Eggborough Banks, for a new capacity and tolling agreement, or CTA, under which payments will be made as if they had been issued a further £150m of our New Bonds;

The existing Nuclear Generation Decommissioning Fund Limited, the Decommissioning Fund, will be enlarged into a new Nuclear Liabilities Fund, the NLF, to address the British Energy Group's uncontracted nuclear liabilities and decommissioning costs. In addition to periodic contributions to the NLF, we will make an initial contribution of up to £275 million of new bonds to the NLF. The UK Government will assume responsibility for liabilities associated with historic spent fuel, as well as the uncontracted nuclear liabilities and decommissioning costs of our nuclear power stations that are not otherwise met by the NLF;

We have entered into new contracts with BNFL intended to vary the agreements under which BNFL currently provides front- and back-end fuel related services to our AGR stations. We announced on May 16, 2003, that we had exchanged contracts covering front-end and back-end fuel services with BNFL. See Item 4 Proposed Restructuring The BNFL Contracts ; and

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We were required to sell our interests in AmerGen in the United States and Bruce Power in Canada. On February 14, 2003, we announced the completion of the sale of our interest in Bruce Power LP. On September 11, 2003, we announced that we had entered into an agreement to dispose of our 50% interest in AmerGen. See Item 4 Proposed Restructuring The Sale of Bruce Power and AmerGen .

We believe that the proposed restructuring will: reduce our exposure to wholesale electricity prices and reduce our fixed and variable costs associated with the front and back-end fuel cycle services for our AGR power stations through our revised contracts with BNFL; reduce our exposure to long-term nuclear liabilities through the proposed NLF and new arrangements with the UK Government; and restructure our indebtedness and certain other contracts through arrangements with our most



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significant creditors and the sale of our interests in AmerGen and Bruce Power. However, we cannot assure you that we will complete the proposed restructuring in the form set out above, or, if we do complete it, that the proposed restructuring will produce the benefits we expect, or that those benefits will be sufficient to allow us to meet our financial obligations as they fall due. As discussed in greater detail in the risk factors set out below, the completion of our proposed restructuring is dependent on a number of factors over which we have little or no control. These factors include the approval of the proposed restructuring by the UK Government, the approval of our proposed restructuring by our most significant creditors, the European Commission and, where required, our shareholders. If the restructuring is not completed we may not be able to meet our financial obligations as they fall due. In that event, we may have to initiate appropriate insolvency proceedings. If we were to commence insolvency proceedings, distributions, if any, to unsecured creditors may represent only a small fraction of our unsecured liabilities, and it is highly unlikely that our current shareholders would receive any return on their investment.

***If we complete the proposed restructuring, our shareholders will suffer a very significant dilution of their interests in British Energy plc.***

Under the proposed restructuring, we will undertake a court sanctioned scheme or schemes of arrangement, referred to as a Scheme of Arrangement, to restructure our obligations with respect to the holders of our bonds due 2003, 2006 and 2016 (referred to collectively as the Bondholders) and the Royal Bank of Scotland plc, or RBS, as provider of a letter of credit to the bank syndicate that provided financing for our Eggborough coal-fired power station (referred to collectively as the Eggborough Banks). We will also enter into other arrangements with the Eggborough Banks and our significant trade creditors; Teesside Power Limited, Total Gas & Power Limited and Enron Capital & Trade Europe Finance LLC (Teesside Power Limited, Total Gas & Power Limited and Enron Capital & Trade Europe Finance LLC are referred to collectively as the Significant Creditors) to restructure our obligations to them. As a result of these arrangements, the new shares issued to the Bondholders, RBS, the Eggborough Banks and the Significant Creditors will represent substantially all of the share capital of the restructured British Energy Group. We expect that our current shareholders will receive only a very small fraction of the issued share capital of the restructured group, if any. Consequently, if the proposed restructuring is completed, our current shareholders will suffer a very significant dilution of their interests.

***Certain elements of our proposed restructuring constitute State Aid under European Union law, and consequently must be approved by the European Commission.***

The UK Government has applied to the European Commission for its consent to the proposed restructuring, because the UK Government's proposed role with respect to the NLF upon completion of the restructuring, and the assumption of responsibility for British Energy's liabilities under historic spent fuel contracts with BNFL constitutes State Aid as defined by European Union law. We cannot assure you that the European Commission will consent to the restructuring as proposed, or that the European Commission will not impose conditions to their approval that would affect the financial terms or even the viability of the proposed restructuring.

Furthermore, while a decision by the European Commission to approve our proposed restructuring would allow us to proceed with its implementation, the decision of the European Commission would be subject to appeal to the European Court of First Instance. If the European Court of First Instance were to annul the European Commission's decision, the European Commission would have to revisit the matter and issue another decision (which would be subject to the contents of the European Court of First Instance's judgment). We cannot assure you that an affirmative decision by the European Commission would not be appealed, and if it were appealed, that the Court of First Instance would uphold the European Commission's decision. We also cannot assure you that a Court of First Instance decision would not be appealed to the European Court of Justice. Such an appeal process may take several years.



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***The proposed Scheme of Arrangement requires the approval of the relevant UK court; without such approval, our proposed restructuring will not be able to proceed.***

To become effective, the Scheme of Arrangement requires the approval of the relevant UK court that supervises the scheme. Before the court gives its approval, the court must satisfy itself that the proposed arrangements are fair to the creditors whose claims are being compromised pursuant to the Scheme of Arrangement. We cannot assure you that the court will determine that the restructuring arrangements contemplated by the Scheme of Arrangement are fair to such creditors, or that the court will not conclude that there are other reasons why it should not approve the Scheme of Arrangement. If the relevant UK court does not approve the Scheme of Arrangement, we may not be able to complete our proposed restructuring as envisaged.

***The continued financial support from the UK Government is subject to the approval of the UK Secretary of State for Trade and Industry.***

Since September 9, 2002, the UK Government has extended a credit facility, the Credit Facility, to us in order to provide working capital and cash collateral in support of our electricity trading contracts in the United Kingdom and certain contracts for the supply of goods and services. As at September 19, 2003, the aggregate principal amount of the Credit Facility was £200 million, of which we had drawn down approximately £20.8 million, principally to meet trading and other cash collateral requirements. The Credit Facility will mature on the earlier of September 30, 2004, or the date on which our proposed restructuring is completed. However, under the terms of the Credit Facility, the UK Secretary of State for the Department of Trade and Industry, the UK Secretary of State, is entitled to require the immediate repayment of the Credit Facility if, in his or her opinion, we cannot implement the proposed restructuring in the time or manner envisaged. We cannot assure you, therefore, that the UK Government will continue to make the Credit Facility available to us prior to September 30, 2004, or that if the Credit Facility is not available to us at any time, we will have sufficient resources to meet our working capital needs or to provide sufficient cash collateral to allow us to continue to maintain our electricity trading contracts. Furthermore, to the extent the UK Government continues to make the Credit Facility available to us, we cannot assure you that the aggregate principal amount of the Credit Facility will be sufficient to provide the amount of working capital and cash collateral in support of our electricity trading contracts and procurement contracts necessary to allow us to continue our business prior to the completion of the proposed restructuring. For further information, you should also read the risk factor entitled *Risks Related to our Business*. Our bilateral trading contracts and certain of our other contracts may be subject to credit support obligations. If we are unable to provide such credit support where required, our exposure to both fluctuations in wholesale electricity prices and potential disruptions to the business may increase. Furthermore, given the current circumstances of the Company and its subsidiaries, certain contracts entered into by them may be capable of being terminated.

***We have reached a non-binding agreement on the principles of our restructuring with the Bondholders, the Eggborough Banks, RBS, and the Significant Creditors. If they withdraw their support for our proposed restructuring, the restructuring may not proceed and it is likely that we will be required to initiate insolvency proceedings.***

On February 14, 2003, we announced that we had reached a non-binding agreement on the principles of our restructuring with the Bondholders, the Eggborough Banks, RBS, and the Significant Creditors. Although some of the Bondholders, the Eggborough Banks, RBS, and the Significant Creditors participated in the negotiations that produced the agreement on the principles of our restructuring, neither those creditors nor the UK Government are obligated to support the restructuring process or approve the restructuring, and we cannot assure you that they will do so. In addition, our proposed restructuring requires the support of the UK Government in order to implement the

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arrangements with respect to the NLF, and the assumption of British Energy's liabilities under historic spent fuel contracts with BNFL. If any or all of the Bondholders, the Eggborough Banks, RBS, the Significant Creditors or the UK Government withdraw their support for the restructuring process, it is likely that we would not be able to complete the proposed restructuring. If we do not complete the proposed restructuring, we may not be able to meet our financial obligations as they fall due, in which case, we may have to initiate appropriate insolvency proceedings. If we were to commence insolvency proceedings, distributions, if any, to unsecured creditors may represent only a small fraction of our unsecured liabilities, and it is highly unlikely that our current shareholders would receive any return on their investment.

***The non-binding agreement on the principles of our restructuring is conditional upon the sale of our interest in AmerGen. If we do not manage to dispose of our interest in AmerGen in a timely manner, we may not be able to proceed with the proposed restructuring.***

The non-binding agreement on the principles of our restructuring is conditional, among other things, on the sale of our 50% interest in AmerGen, our joint venture with Exelon Generation Company LLC, or Exelon, which owns and operates three nuclear power stations in the United States. Pursuant to the terms of the agreement, we must have completed the sale of our interest in AmerGen before the restructuring proposals can become effective.

On September 11, 2003, we announced that we had entered into an agreement to dispose of our 50% interest in AmerGen to FPL Energy Nuclear Mid-Atlantic LLC, a wholly-owned subsidiary of FPL Group for approximately US\$277 million. The proposed sale of our interest in AmerGen is subject, however, to a number of conditions, including satisfaction of Exelon's right of first refusal as well as approvals and authorisations from various regulatory agencies in the United States including the Nuclear Regulatory Commission, or NRC, the Federal Energy Commission, or FERC, and the Federal Communications Commission.

We cannot assure you, however, that we will be able to complete the sale of our interest in AmerGen within the timescales envisaged, or that, if we do not complete the sale of our interest by that date, all or any of the Bondholders, RBS, the Eggborough Banks, the Significant Creditors or the UK Government will continue to support our proposed restructuring or that the UK Government will continue to make the credit facility available to us. For further information regarding the proposal to dispose of our 50% interest in AmerGen, see Item 4. Information on the Company Proposed Restructuring The Sale of Bruce Power and AmerGen.

***Our standstill agreements are subject to a number of conditions precedent. If we do not meet these conditions, the restructuring may not proceed and we may have to initiate insolvency proceedings.***

On February 14, 2003, we announced that we had entered into a binding standstill agreement among the Bondholders, the Eggborough Banks, RBS, the Significant Creditors and BNFL. Under the terms of the standstill agreements, these creditors agreed they would not take any steps to initiate any administration proceedings or demand or accelerate any amounts due and payable to them by us during the period commencing February 14, 2003 and ending at the earlier of September 30, 2004 (subject to a termination event (as described below)) or the successful completion of our proposed restructuring prior to that date. Termination events include:

Certain insolvency events with respect to British Energy plc, our operating subsidiaries, British Energy Generation Limited (or BEG), British Energy Generation (UK) Limited (or BEG UK), British Energy Power & Energy Trading Limited (or BET)

or Eggborough Power Limited;

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Acceleration of payment by the UK Secretary of State of amounts borrowed under the Credit Facility;

The failure to achieve certain targets, including the execution of definitive documentation regarding our proposed restructuring, on or before September 30, 2003.

We cannot assure you that one or all of the events described above will or will not occur in the time specified or at all. If the standstill agreement is terminated for any reason, the creditors who are parties thereto may accelerate and demand payment of our obligations to them. Furthermore, termination of the standstill agreement will entitle the UK Secretary of State to demand the immediate repayment of the Credit Facility in accordance with its terms. In that event, we may be unable to meet our financial obligations as they fall due and we may have to initiate appropriate insolvency proceedings. If we were to commence insolvency proceedings, distributions, if any, to unsecured creditors may represent only a small fraction of their unsecured liabilities, and it is highly unlikely that our current shareholders would receive any return on their investment.

***Our financial statements have been prepared on the basis that British Energy is a going concern. If British Energy ceases to be a going concern, we may be required to adjust the monetary value of assets, reassess our provisions for future liabilities and reclassify fixed assets and long-term liabilities as current assets and liabilities.***

Our financial statements have been prepared on the basis that British Energy is a going concern. The going concern basis assumes that we will continue in operational existence for the foreseeable future. The validity of this assumption depends upon a number of factors that are beyond our control, including those discussed above. If for any reason we are unable to complete our proposed restructuring and cease to be a going concern, we may be required to adjust the monetary value of assets, reassess our provisions for future liabilities and reclassify fixed assets and long-term liabilities as current assets and liabilities. Such adjustments, reassessments and reclassifications may result in a material adverse change to the statement of our financial condition from that currently set forth in our financial statements.

## **Risks Related to our Business**

***We currently do not and may not, in the future, comply with the minimum listing criteria of the New York Stock Exchange Inc., and we may, therefore, lose our listing on the New York Stock Exchange.***

On August 28, 2003 we announced that we had been notified by the New York Stock Exchange, Inc., or NYSE, that we did not currently comply with the NYSE's continued listing standard relating to minimum market capitalisation and shareholders' equity. The NYSE has also said it will consider our continuing suitability for listing in the light of any allocations of value between the existing creditors and the equity holders. We are currently in discussions with the NYSE with respect to our ability to meet the minimum market capitalisation and shareholders' equity listing standard going forward and we are reviewing our options with respect to our listing on the New York Stock Exchange. We expect to supply materials to the NYSE for its evaluation demonstrating our ability to meet the minimum continued listing standards. There can be no assurance however, that we will meet the NYSE's listing standard or that we will do so in a time period that is acceptable to the NYSE. If we do not meet the NYSE's listing standards in time or at all, the NYSE may decide to de-list our American Depositary Shares, or ADSs, representing beneficial interests in our ordinary shares, from the New York Stock Exchange. If our ADSs are not listed on the New York Stock Exchange, there may not be sufficient liquidity to allow our ADSs to trade efficiently which may, in turn, cause the price of our ADSs to fall.



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***Assuming that our proposed restructuring is completed, our future profitability is dependent upon several factors outside our control.***

Assuming our proposed restructuring is completed, our future profitability is subject to our ability to reduce and maintain our operating costs at levels that are lower than the price we achieve for our output of electricity. However our ability to reduce and maintain our operating costs at that level and to maximize output is limited by several factors outside our control, including:

The level of future electricity prices depends upon a number of factors, including the price of fossil fuels, the margin between available capacity and demand, the level of demand and demand growth and the amount of new electricity generating capacity that becomes available. Demand and available capacity are uncertain and, in the short term, electricity prices can be highly volatile. To the extent that our output is not covered by fixed price sales contracts, a substantial decline in the wholesale market price for electricity can have a serious adverse effect on our ability to trade profitably; and

We may be subject to increased costs that result from changes in our industry or operations, including new or enhanced safety or regulatory requirements.

Therefore, we cannot assure you that, even if our proposed restructuring is completed, we will be able to trade profitably, or to meet our financial obligations as they fall due.

***A significant engineering fault or a design flaw at one of our power stations or which is generic to a class of nuclear plants could decrease our revenues and increase our costs.***

A major engineering fault at one of our power stations could result in the closure of that station ahead of its expected closure date for either commercial or safety reasons. Furthermore, engineering faults or safety risks arising from a design problem that is generic to a particular type of nuclear plant could result in the closure of all our nuclear power stations using that nuclear plant design ahead of their expected closure dates. The early closure of one or all of any one type of our nuclear power stations would result in a loss of planned future output and result in additional costs associated with the closure of the affected power station or stations.

We have comprehensive inspection and testing programs in place in order to evaluate the physical condition of our nuclear power stations. These programs periodically identify certain technical issues. We cannot assure you that the identification of technical issues with respect to our power stations will not require us to incur significant expenditure for repairs or replacements as well as lost output as a result of outages necessary to effect such repairs.

***A change in the extensive regulation to which we are subject could adversely affect our profitability.***

We are subject to extensive regulation by, among others, the European Union, the United Kingdom and the United States in relation to, among other things, the electricity market and nuclear safety. Decisions by regulators in each jurisdiction could adversely affect our financial condition and results of operations. Changes in the regulations governing the electricity markets in the



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United Kingdom, may affect electricity sales prices or the competitive market. For example, following the introduction of the New Electricity Trading Arrangements, or NETA, in 2001, there has been a substantial decrease in wholesale electricity prices in England and Wales. Further changes to the regulatory environment in the UK market, and the proposed extension of NETA to the Scottish electricity market, could also result in lower wholesale electricity prices. The UK Government has proposed to establish a unified Great Britain electricity market by April 2005. However, if this unified market is not implemented by April 2006, when the current sales contract for British Energy s

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generation from its two Scottish nuclear power stations expires, we may be unable to find sufficient willing buyers for our Scottish output at an acceptable price. Changes in regulations governing nuclear safety in each of the United Kingdom and the United States may result in the modification, suspension or revocation of our licenses to operate nuclear power stations, or require us to incur substantial additional cost for capital expenditure and/or services and labor. In the United Kingdom, we must obtain the approval of the nuclear safety regulator at specified intervals for the continued operation of our nuclear power stations, including their approval to restart a power station after any statutory, refueling or other outage. The refusal of the relevant regulator to approve, or any delay in gaining approval from the relevant regulator to continue or restart operation of any of our nuclear power stations, would adversely affect future revenues and reduce our ability to trade profitably.

***A failure to comply with, or the incurrence of liabilities under, environmental, health and safety laws and regulations to which we are subject, or a failure to obtain or maintain required environmental, health and safety regulatory approvals, could adversely affect our business or our ability to trade profitably.***

We are subject to various environmental protection, health and safety laws and regulations governing, among other things, (i) the generation, storage, handling, release, use, disposal and transportation of hazardous and radioactive materials; (ii) the emission and discharge of hazardous materials into the ground, air or water and (iii) decommissioning and decontamination of our facilities and the health and safety of the public and our employees. Regulators in the United Kingdom and the United States, including in the UK, the Nuclear Installations Inspectorate, Environment Agency and the Scottish Environment Protection Agency, and, in the US, the Environmental Protection Agency, administer these laws and regulations. In the United Kingdom, we are also subject to European Community law, and some international treaties are relevant to us. In the United States, we are additionally subject to extensive state and local regulation. See Item 4. Information on the Company Business Overview Safety and Environmental Standards and Item 4. Information on the Company Regulation Safety and the Environment for more information.

We are also required to obtain environmental and safety permits from various governmental authorities for our operations. Certain permits require periodic renewal or review of their conditions; we cannot predict whether we will be able to renew such permits or whether material changes in permit conditions will be imposed. We cannot assure you that we have been, or will at all times in the future be, in complete compliance with such laws, regulations and permits. Violations of these laws, regulations or permits could result in plant shutdowns, fines or other sanctions. Other liabilities under environmental laws, including clean-up of radioactive or hazardous substances, can be costly to discharge. Environmental liabilities or failure to comply with environmental laws could also lead to negative publicity and significant reputational damage.

While we cannot predict with any certainty the nature of developments in environmental regulation and control, we anticipate that the direction of future changes will be toward stricter controls. In view of the age and history of many sites we own or operate, we may incur liability in respect of sites that are found to be contaminated, together with increased costs of managing or cleaning up such sites. Site values could be affected and potential liabilities and clean-up costs may make disposal of potentially contaminated sites more difficult. We cannot assure you that any clean-up costs will not have an adverse effect on our business or our financial condition or results of operations.

Environmental, health and safety laws are complex, change frequently and have tended to become more stringent over time. While we have budgeted for future capital and operating expenditures to comply with current environmental, health and safety laws, we cannot assure you that environmental, health and safety laws will not change or become more stringent in the future. Therefore, we cannot assure you that our costs of complying with current and future environmental and

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health and safety laws, and our liabilities arising from past or future releases of, or exposure to, radioactive or hazardous substances, will not adversely affect our business, result of operations or financial condition.

**The potential hazards of nuclear operations could expose us to the risk of material liabilities, lost revenues, increased expenses or reputational damage.**

Our operations use and generate radioactive and hazardous substances that have the potential for serious impact on human health and the environment. There are particular risks associated with the operation of nuclear power stations. These include accidents, the breakdown or failure of equipment or processes or human performance, including our safety controls, and other catastrophic events that could result in the dispersal of radioactive material over large areas, thereby causing injury or loss of life and extensive property or environmental damage. Certain of these events, including those arising as a result of third party acts such as acts of terrorism or war, are not wholly within our control. Liabilities we may incur, and interruptions in the operation of a facility caused by these events or associated with any of the radioactive or hazardous materials involved, could significantly reduce our revenues and increase our expenses and result in negative publicity and significant reputational damage. Insurance proceeds may not be adequate to cover all liabilities incurred, lost revenue or increased expenses.

***Plant reliability at our UK nuclear power stations has fallen significantly behind world performance standards. Any further deterioration in reliability will adversely affect our operations and consequently, our results of operations. Plant unreliability also reduces our revenues as making good shortfalls in electricity which has been pre-sold can require us to buy electricity at times of very high prices.***

Our future profitability is subject to our ability to maintain output at levels sufficient to ensure that our operating costs are lower than the price we achieve for our electricity. During the year ended March 31, 2003 our UK nuclear output was 63.8TWh as compared to 67.6TWh in the previous year. We believe that a proportion of the generation losses resulting from these unplanned outages was caused by deficiencies in equipment reliability, human performance and organisational effectiveness.

We are implementing a major performance improvement programme to enhance human performance, equipment reliability and organisational effectiveness, based on the experience of leading US nuclear operators. Nevertheless, there can be no assurance that we will achieve the necessary operational improvements to reduce generating losses and thereby improve output and reliability. A failure to improve output and reliability would have an adverse effect on our results of operation and future profitability.

Unreliability of plant can lead to the Company incurring significant system imbalance charges. Most of the Company's output is pre-sold and it is committed to supply contracted volumes. If the plants fail to produce predicted volumes, we may have to enter the imbalance market to make good any shortfall. Prices in the imbalance market may be very high particularly in periods of tight capacity margins for generating plant in the UK and the unplanned outages of our stations may raise demand and therefore prices in the imbalance markets. We cannot therefore assure you that we will not, in addition to lost revenue and output from plant, incur significant imbalance costs if there are unplanned outages to plant.

***Proposed arrangements governing the cost of electricity transmission in the United Kingdom could reduce our ability to trade profitably in the future.***

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In May 2001, the Gas and Electricity Markets Authority, or GEMA, proposed a number of possible reforms to the market arrangements governing electricity transmission system access and losses in

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England and Wales. Transmission losses occur from the electricity that is lost to the network in the form of heat as it is transmitted. If GEMA were to implement the proposals in their present form, they would result in a significant redistribution of transmission costs between electricity market participants. Under the proposals, some generators would pay for a proportion of transmission losses for which they were not previously responsible. The proposals would be unfavorable to generating plants located in the North of England and Scotland, which make up a significant portion of our generating capacity. On January 17, 2003, GEMA directed that a modification should be implemented to the Balancing and Settlement Code, to introduce zonal marginal transmission losses, with effect from April 2004. On January 30, 2003, the Government issued a consultation paper on whether these changes were appropriate for Great Britain as a whole, and concluded on June 27, 2003 that they were not. It is now uncertain whether the changes will still be introduced only in England and Wales, or whether they will subsequently be considered again for Great Britain as a whole once the British Electricity Transmission and Trading Arrangements (BETTA) are introduced.

GEMA has also required National Grid Transco, as operator of the transmission system, to review the charging arrangements for access to and use of the transmission network. This review is not yet complete, but could result in changes which would adversely affect the amount of charges payable by British Energy from April 2004, given the disparate geographical distribution of our plant.

***If the NLF does not become effective, we may be required to make substantial payments to meet the long-term post-closure costs of decommissioning our existing nuclear power stations in the United Kingdom. Separately, and in addition, we may be required to make substantial payments to meet revised projected costs of decommissioning of the AmerGen stations.***

In the United Kingdom we established the Decommissioning Fund to accumulate funds to meet certain long-term post-closure costs of decommissioning our UK nuclear assets. We made, and until the NLF is operational, will continue to make, quarterly contributions to the Decommissioning Fund that are subject to adjustment for inflation. However, there is no certainty that the Decommissioning Fund will be sufficient to cover all the liabilities to which it relates. In addition, other substantial decommissioning liabilities are currently unfunded. As part of the proposed restructuring, the Decommissioning Fund will be enlarged into a new NLF to which we will make fixed contributions as well as an initial contribution of up to £275 million aggregate principal amount by way of new bonds. Additionally we will contribute £150,000 (indexed to RPI) for every tonne of uranium loaded into Sizewell B our Pressurised Water Reactor nuclear power station, or PWR, after completion of the proposed restructuring, and payments amounting (initially and subject to adjustment) to 65% of our consolidated annual cash flow net of tax, financing costs, cash reserves and a forecast expenditure reserve. However, we expect that as part of the establishment of the NLF, the UK Government will assume responsibility for liabilities associated with our historic spent fuel as well as the uncontracted nuclear liabilities and decommissioning costs of our nuclear power stations to the extent that the assets of the NLF, funded by our historic contributions to the Decommissioning Fund and our future contributions to the NLF are insufficient to meet those liabilities as they fall due. Furthermore, as a condition of the NLF, we will be required to continue to operate our nuclear power stations in compliance with applicable law and the practices and the procedures acceptable to the safety and environmental regulatory authorities. If we fail to do so, we may in certain circumstances incur additional liabilities over and above those which we currently expect to bear under the NLF.

If the NLF does not become effective, we will be required to continue to make contributions to the Decommissioning Fund pursuant to our obligations under our nuclear site licenses, and will be required to meet other historic unfunded liabilities and certain decommissioning liabilities, which may in turn significantly reduce our ability to trade profitably.

In the United States, the US Nuclear Regulatory Commission, or NRC, requires nuclear site operators, such as AmerGen, to establish a segregated decommissioning fund to meet the costs of a plant's decommissioning. The NRC requires an annual review of both the forecast cost of decommissioning and the adequacy of the fund to accumulate the required money. Thus, the required



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size of a plant's decommissioning fund is adjusted periodically to take account of changes in the cost of labor, energy, waste disposal and the impact of technological advances. Each of the decommissioning funds for AmerGen's three nuclear stations is currently deemed to be fully funded. However, we cannot assure you that a future review of the cost of decommissioning will not result in AmerGen being required to invest substantial additional amounts in the decommissioning funds to meet the revised projected future cost of decommissioning its plants. Under the terms of the AmerGen joint venture agreement, we would be required to contribute 50% of that additional amount.

On September 11, 2003, we announced that we had entered into an agreement to dispose of our 50% interest in AmerGen to FPL Energy Nuclear Mid-Atlantic LLC, a wholly-owned subsidiary of FPL Group for approximately US\$277 million. The proposed sale of our interest in AmerGen is subject, however, to a number of conditions, including satisfaction of Exelon's right of first refusal as well as approvals and authorisations from various regulatory agencies in the United States including the Nuclear Regulatory Commission, the Federal Energy Commission, and the Federal Communications Commission. See Item 4 Information on the Company Proposed Restructuring The Sale of Bruce Power and AmerGen.

***Our revised contracts with BNFL are contingent upon completion of the restructuring, and our reliance on BNFL as our single supplier for AGR fuel and spent fuel management services could lead to increased costs and decreased profitability upon termination of the revised contracts if the restructuring is not completed.***

We currently rely on BNFL (a company wholly owned by the UK Government), to supply fuel fabrication and spent fuel management services for our Advanced Gas Cooled Reactor, or AGR, stations. BNFL is currently the sole supplier of AGR fuel worldwide. On May 16, 2003, we announced that we had entered into a series of contracts with BNFL, replacing our then current contracts covering the fabrication of fuel for our AGR power stations, known as front-end fuel cycle services, and the disposal of AGR fuel used by our AGR power stations, known as back-end fuel cycle services. The front-end fuel cycle contracts became effective as of April 1, 2003, but, with the exception of the new arrangements for the supply of uranics, may be terminated if, among other things, the proposed restructuring is not completed. The back-end fuel cycle contracts are conditional upon completion of the restructuring, although, in accordance with the terms of the standstill agreement, our payments to BNFL for back-end fuel cycle services are made as if the back-end contracts had become effective on April 1, 2003.

Under these new contracts, prices for a certain proportion of front-end and back-end fuel cycle services are linked to the prevailing market price for electricity, thereby reducing our exposure to downward fluctuations in market price, conversely if market prices rise above certain levels, a proportion of our costs under the revised BNFL contracts will also increase.

If we do not complete the proposed restructuring, and our revised contracts with BNFL are terminated (or do not take effect), we would be required to rely upon our prior front-end and back-end fuel cycle contracts with BNFL. Consequently, we would be unable to realise the operating cost benefits associated with our revised contracts with BNFL. Furthermore, our current contract with BNFL for the supply of front-end fuel cycle services for the majority of our AGR stations expires in 2006. If the revised contracts with BNFL are terminated (or do not take effect) and if BNFL is unable or unwilling to continue to supply fuel to our AGR stations, we would need to seek a new source of supply for AGR fuel. A new supplier of fuel for our AGR stations would need to retool its production systems in order to be able to produce AGR fuel. The costs of such a retooling would probably be passed on to us resulting in significantly increased operating costs.

***Our bilateral trading contracts and certain of our other contracts may be subject to credit support obligations. If we are unable to provide such credit support where required, our exposure to both fluctuations in wholesale electricity prices and potential disruptions to the***





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***business may increase. Furthermore, given the current circumstances of the Company and its subsidiaries, certain contracts entered into by them may be capable of being terminated.***

We sell a substantial percentage of our output pursuant to fixed price bilateral trading contracts and are party to various other contractual arrangements. However, as our credit rating is currently below investment grade, we are required to establish alternative credit support to a parent company guarantee in respect of our obligations under certain of those contracts. In the case of bilateral trading contracts the financial obligations to be covered by the alternative credit support are related to the prevailing wholesale price of electricity. Our ability to provide alternative credit support for our trading operations is, and will, until the completion of our proposed restructuring, be subject to our continued access to funds under the Credit Facility. We have retained a trading relationship with a high proportion of our existing contracted counterparties during the period since our announcement of September 5, 2002, although in most cases we have been required to provide alternative credit support to a parent company guarantee. Given the current circumstances of the Company and its subsidiaries, certain contracts may be capable of being terminated, and such termination may result in termination payments being payable as well as having an adverse effect on our cash flows. We cannot assure you that the Credit Facility will continue to be available to us, or that if the Credit Facility is available to us, the sums available thereunder will be sufficient to provide alternative credit support for all of our bilateral trading contracts or other contractual arrangements that require such security. Following completion of our restructuring, we anticipate that we will be required to obtain access to alternative credit facilities or use our own cash reserves to meet these alternative credit support requirements.

***We have entered into a hedging strategy that reduces the price risk associated with our electricity generation. However, this has reduced our ability to benefit from increasing market prices in the medium term and may also result in an increase in collateral requirements as market prices rise. In addition, should various other unforeseen events occur which place demands on cash flow, our financial resources may prove to be insufficient.***

We have entered into short-term and medium-term power-sale contracts with market counterparties and with other industrial and commercial customers to hedge a significant proportion of our output against downward movements in market price. However, as a result of this strategy, the cash flow benefits to British Energy of market price increases are reduced while the level of collateral calls made by trading counterparties increases to cover their mark to market exposure. The potential combination of these factors and the possible effects of the market price linkage on the costs incurred by us for fuel services under the new BNFL contracts (as described in Item 3 Risk Factors Our revised contracts with BNFL are contingent upon completion of the restructuring, and our reliance upon BNFL as our single supplier of AGR fuel could lead to increased costs and decreased profitability upon termination of the revised contracts if the restructuring is not completed ) may, and has recently, resulted in a need to drawdown on the Credit Facility to support our ongoing working capital requirements. The amount of any future drawdowns will fluctuate depending on requirements to fund working capital and collateral needs and, as at September 19, 2003, we had drawn down £20.8 million from the Credit Facility.

We are reviewing our trading strategy to attempt to maintain an appropriate balance between the importance to us at the time of maintaining a high degree of certainty of our revenues and collateral requirements, as well as continuing to take steps to identify and manage cash flow risks and manage cash resources. We cannot therefore assure you that the level of funding available to us will be sufficient to meet our future needs.

***A substantial portion of the further proceeds we expect to receive as a result of the Bruce Power disposal are contingent upon the occurrence of certain events.***

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On January 17, 2003 we entered into a master purchase agreement to dispose of our 82.4% interest in Bruce Power and our 50% interest in Huron Wind to a consortium made up of Cameco

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Corporation, BPC Generation Infrastructure Trust and TransCanada PipeLines Limited. Under the terms of the master purchase agreement, approximately C\$120 million is deferred compensation, of which C\$20 million relates to warranty claims (if any).

The remaining deferred amount of approximately C\$100 million is contingent upon the successful restart of two of the Bruce A reactors. The master purchase agreement provided that if the restart of the two reactors were to be delayed beyond June 15, 2003 and August 1, 2003, respectively, the consideration of C\$50 million per reactor will be reduced on a sliding scale falling to zero after nine months. Bruce Power did not succeed in restarting the two reactors by the dates specified, consequently, while work continues to restart the reactors as soon as possible, we cannot assure you that the amount of deferred compensation we receive will not be further reduced owing to any further delays in restarting the reactors.

In addition, it was agreed that a further C\$80 million of compensation from the sale of Bruce Power would be held in an escrow account to cover estimated outstanding tax liabilities of Bruce Power. In the event that the sums held in the escrow account are not sufficient to cover the outstanding tax liabilities, we would be required to repay the amount of such excess tax liabilities to the purchasers. To date, some C\$3 million has been released to British Energy from these funds. These amounts, however, remain subject to further adjustment.

***The cost of providing pensions benefits to eligible former employees is subject to changes in pension fund values and changing demographics, and might have a material adverse effect on our financial results.***

We operate two pension schemes that provide defined benefits to eligible recipients. The cost of providing these benefits is subject to changes in pension fund values and changing demographics, including longer life expectancy of the schemes' beneficiaries. Recent sustained declines in equity markets and reductions in bond yields have and may continue to have a material adverse effect on the value of our pension funds. We may be required to recognize a charge to our profit and loss account to the extent that the pension fund values are less than the total anticipated liability under the plan. In addition, we may be required to contribute additional amounts to our pension funds to address any difference between pension fund values and accrued liabilities. We cannot assure you that such charges or payments will not have an adverse effect on our financial condition.

## **Selected Financial Data**

The following summary consolidated financial information for British Energy, insofar as it relates to profit and loss and cash flow for the fiscal years ended March 31, 2003, 2002 and 2001, and balance sheets as of March 31, 2003 and 2002 is derived from the audited financial statements appearing elsewhere in this annual report. On November 28, 2002, we announced proposals for the restructuring of British Energy. See Item 4. Information on the Company Our Proposed Restructuring . Our financial statements have been prepared on the basis that British Energy is a going concern. See Item 3 Risk Factors Risks Related to our Restructuring Our Financial Statements Have Been Prepared on the Basis that British Energy is a Going Concern .

Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United Kingdom, or UK GAAP, which differs in certain significant respects from generally accepted accounting principles in the United States, or US GAAP. In particular, the treatment under US GAAP of future liabilities associated with back-end fuel cycle costs and the estimated costs of decommissioning that are not covered by contractual arrangements result in significant differences between our reported financial condition and results of operations under US GAAP as compared with UK GAAP. A full description of the significant differences between UK GAAP and US GAAP as they apply to us and a reconciliation of (loss)/profit after tax (or

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net (loss)/income) and equity shareholders funds (or deficit on equity shareholders funds) under UK GAAP to those under US GAAP

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are set out in Note 37 to our consolidated financial statements and in Item 5. Operating and Financial Review and Prospects  
Critical Accounting Policies .

You should read the following summary consolidated financial information in conjunction with our audited consolidated financial statements and the notes thereto appearing elsewhere in this annual report as well as the section entitled Item 4. Information on the Company Our Proposed Restructuring and the section entitled Item 5. Operating and Financial Review and Prospects .

	Year ended March 31,					
	2003 <sup>(1)</sup>	2003	2002	2001	2000	1999
	(restated) <sup>(2)</sup>					
	(in millions, except earnings and dividends per share and per ADS					
	and weighted average shares)					
<b>Profit and Loss Account Information:</b>						
<b>UK GAAP</b>						
Turnover	\$ 3,026	£ 1,903	£ 2,049	£ 2,124	£ 2,058	£ 2,067
Turnover continuing operations	2,430	1,528	1,701	2,124	2,058	2,067
Turnover discontinued operations	596	375	348			
Operating (loss)/profit	(6,045)	(3,802)	(281)	280	412	481
Operating (loss)/profit continuing operations	(6,199)	(3,899)	(333)	280	412	481
Operating (loss)/profit discontinued operations	154	97	52			
(Loss)/profit before taxation	(6,824)	(4,292)	(493)	57	225	276
Taxation	585	368	(25)	(48)	(118)	(68)
(Loss)/profit after taxation	(6,239)	(3,924)	(518)	9	107	208
Dividends <sup>(3)(4)</sup>			(48)	(48)	(48)	(110)
Basic (loss)/earnings per ordinary share(s)	(1,040)	(654.7)p	(88.5)p	1.2p	16.4p	30.3p
Basic (loss)/earnings per ordinary share(s) continuing operations	(1,066)	(670.8)p	(97.2)p	1.2p	16.4p	30.3p
Basic (loss)/earnings per ordinary share(s) discontinued operations	26.0	16.1p	8.7p			
Basic (loss)/earnings per ADS <sup>(5)</sup>	(78,074)	(49,103)p	(6,638)p	90p	1,230p	2,272p
Basic (loss)/earnings per ADS <sup>(5)</sup> continuing operations	(79,993)	(50,310)p	(7,290)p	90p	1,230p	2,272p
Basic (loss)/earnings per ADS <sup>(5)</sup> discontinued operations	1,921	1,208p	652.5p			
Diluted (loss)/earnings per ordinary share(s)	(1,040)	(654.7)p	(88.5)p	1.2p	16.1p	29.2p
Diluted (loss)/earnings per ordinary share(s) continuing operations	(1,066)	(670.8)p	(97.2)p	1.2p	16.1p	29.2p
Diluted (loss)/earnings per ordinary share(s) discontinued operations	26.0	16.1p	8.7p			
Diluted (loss)/earnings per ADS <sup>(5)</sup>	(78,074)	(49,103)p	(6,638)p	90p	1,208p	2,190p
Diluted (loss)/earnings per ADS <sup>(5)</sup> continuing operations	(79,993)	(50,310)p	(7,290)p	90p	1,208p	2,190p
	1,921	1,208p	652.5p			

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Diluted (loss)/earnings per ADS <sup>(5)</sup> discontinued operations				
Dividends per ordinary share, net <sup>(3)(4)</sup>	8.0p	8.0p	8.0p	16.0p
Dividends per ADS, net <sup>(3)(4)(5)</sup>	600.0p	600.0p	600.0p	1,200p

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	Year ended March 31,					
	2003 <sup>(1)</sup>	2003	2002	2001	2000	1999
	(restated) <sup>(2)</sup>					
	(in millions, except earnings and dividends per share and per ADS and weighted average shares)					
<b>US GAAP</b>						
Turnover	\$ 3,026	£ 1,903	£ 2,049	£ 2,124	£ 2,058	£ 2,067
Turnover continuing operations	2,430	1,528	1,701	2,124	2,058	2,067
Turnover discontinued operations	596	375	348			
(Loss)/profit after taxation	(12,294)	(7,732)	(426)	(124)	40	67
Basic (loss)/earnings per ordinary share(s)	(2,042)	(1,284)p	(71.2)p	(21.0)p	6.3p	9.8p
Basic (loss)/earnings per ordinary share(s) continuing operations	(2,056)	(1,293)p	(74.0)p	(21.0)p	6.3p	9.8p
Basic (loss)/earnings per ordinary share(s) discontinued operations	14.0	8.8p	2.8p			
Basic (loss)/earnings per ADS <sup>(5)</sup>	(153,177)	(96,300)p	(5,340)p	(1,575)p	472.5p	735.0p
Basic (loss)/earnings per ADS <sup>(5)</sup> continuing operations	(154,190)	(96,975)p	(5,550)p	(1,575)p	472.5p	735.0p
Basic (loss)/earnings per ADS <sup>(5)</sup> discontinued operations	1,049	660p	210p			
Diluted (loss)/earnings per ordinary share(s)	(2,042)	(1,284)p	(71.2)p	(21.0)p	6.1p	9.4p
Diluted (loss)/earnings per ordinary share(s) continuing operations	(2,056)	(1,293)p	(74.0)p	(21.0)p	6.1p	9.4p
Diluted (loss)/earnings per ordinary share(s) discontinued operations	14.0	8.8p	2.8p			
Diluted (loss)/earnings per ADS <sup>(5)</sup>	(153,177)	(96,300)p	(5,340)p	(1,575)p	457.5p	705.0p
Diluted (loss)/earnings per ADS <sup>(5)</sup> continuing operations	(154,190)	(96,975)p	(5,550)p	(1,575)p	475.5p	705.0p
Diluted (loss)/earnings per ADS <sup>(5)</sup> discontinued operations	1,049	660p	210p			
Weighted average ordinary shares(millions)	602	602	598	597	651	712

**As at March 31,**

	2003 <sup>(1)</sup>	2003	2002	2001	2000	1999
		(restated) <sup>(2)</sup>				
	(in millions)					
<b>Balance sheet information</b>						
<b>UK GAAP</b>						
Fixed assets	\$ 1,213	£ 763	£ 4,909	£ 5,245	£ 5,620	£ 4,882
Total assets	3,461	2,177	6,775	6,784	7,051	6,561
Provisions and long term liabilities	(6,956)	(4,375)	(5,173)	(4,931)	(4,490)	(4,308)
Equity shareholders (deficit)/funds	(5,527)	(3,476)	490	1,075	1,110	1,616

**As at March 31,**

	2003 <sup>(1)</sup>	2003	2002	2001	2000	1999
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(restated)<sup>(2)</sup>  
(in millions)

**US GAAP**

Fixed assets	\$ 1,175	£ 739	£ 8,259	£ 8,082	£ 8,517	£ 7,612
Total assets	3,309	2,081	10,250	9,766	11,823	11,155
Provisions and long term liabilities	(15,848)	(9,967)	(10,367)	(9,756)	(11,024)	(10,523)
Equity shareholders (deficit)/funds	(14,700)	(9,245)	(1,228)	(736)	(545)	103



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	Year ended March 31,					
	2003 <sup>(1)</sup>	2003	2002	2001	2000	1999
	(restated) <sup>(2)</sup> (in millions)					
<b>Cash Flow Information</b>						
<b>UK GAAP</b>						
Operating (loss)/profit including exceptional items	\$ (6,045)	£ (3,802)	£ (281)	£ 280	£ 412	£ 481
Exceptional items	6,211	3,906	512	(54)	16	(8)
<b>Cash generated by operations:</b>						
operating profit excluding exceptional items	165	104	231	226	428	473
Depreciation charges	456	287	285	277	260	278
Nuclear liabilities charged to operating costs	167	105	156	132	141	166
<b>Nuclear liabilities and other provisions discharged:</b>						
Nuclear liabilities	(183)	(115)	(332)	(319)	(310)	(332)